

KEYSPAN ENERGY DELIVERY NEW ENGLAND
D.T.E. 05-68

FIRST SET OF INFORMATION REQUESTS OF THE
ATTORNEY GENERAL TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND

AG 1-8

Date: March 9, 2006

Respondent: Elizabeth D. Arangio

- Q. Refer to pp. 41-42. Please provide copies of all affiliate unredacted contracts among the KeySpan companies that relate to the sharing and provision of gas supply, storage, and transportation resources among the affiliates and a detailed fee schedule or tariff of any fees associated with the contract arrangements.
- A. Since the Department's order in KeySpan Energy Delivery New England, D.T.E. 01-105 (2003), the Company has operated its Massachusetts resource portfolio on a combined basis for the benefit of all customers. This means that all resources, regardless of which LDC actually holds the contract, are available to meet sendout requirements anywhere in the KeySpan service territory. For this reason, there are no contracts among the KeySpan LDCs with regard to sharing of gas resources. Moreover, in KeySpan Energy Delivery New England, D.T.E. 04-62 (2004), the Department approved a consolidated GAF for the three KeySpan LDCs finding that "consolidation is appropriately designed to accurately reflect the manner in which its gas supply resources are managed to serve all customers." Id. at 47.

As disclosed in the annual affiliate log of transactions, which was most recently filed with the Department on February 15, 2006, KeySpan does purchase certain gas supply, storage and transportation resources from affiliated companies, including KeySpan LNG, LLC, Iroquois Gas Transmission System, Alberta Northeast Gas LTD, Honeoye, and Transgas, Inc. All of these resources are used to meet sendout requirements across the entire service territory.